

**DECISION RECORD, FINDING OF NO SIGNIFICANT IMPACT,
AND ENVIRONMENTAL ASSESSMENT FOR
TRACE ENERGY SERVICE, INC.'S MOON RIDGE
3-D SEISMIC EXPLORATION PROJECT,
UINTAH AND GRAND COUNTIES, UTAH**

EA No. UT-080-2003-0256

September 2003

DECISION RECORD AND FINDING OF NO SIGNIFICANT IMPACT

EA Log No.: UT-080-2003-0256 Case File No.: UTU-6178

Project: Uintah 3-D

Applicant: Trace Energy Services, Inc. (Trace)

Project Location: Uinta Basin, Uintah and Grand Counties, Utah BLM

BLM Office: Vernal Field Office Phone No. 435-781-4400

Decision:

It is my decision to approve the Notice of Intent to Conduct Oil and Gas Exploration Operations (NOA) and to authorize the geophysical project to proceed as proposed, subject to the Terms and Conditions (Form 3150-4a), applicable Applicant Committed Environmental Protection Measures (ACEPMs), and the Special Conditions developed as a result of this environmental assessment and attached to this decision. The authorization is pursuant to the authority of the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702 et seq.), and implementing regulations found in 43 Code of Federal Regulations (CFR) 3150.

Finding of No Significant Impact:

Based on the analysis of expected environmental impacts contained in the subject environmental assessment, and considering comments received during the 30-day public review period, I have determined that implementation of the proposed action and the recommended mitigation measures will not have any significant impacts to the human environment and that an environmental impact statement is not required. My finding is based on the following:

- The U.S. Fish and Wildlife Service concurs (August 4, 2003) with BLM's determination that implementation of the proposed project "would not likely to adversely affect" the Mexican spotted owl, and would have no effect on the bald eagle. The project would not affect the Colorado pikeminnow, humpback chub, bonytail, razorback sucker because these fishes do not occur in the project area and no depletion of surface water from the Upper Colorado River would occur. The project would not affect the southwestern willow flycatcher, mountain plover, black-footed ferret, clay reed-mustard, shrubby reed-mustard, Uinta Basin

hookless cactus and the Ute ladies'-tresses orchid as suitable habitat for these species does not occur in the project area.

- Residual impacts to soils and vegetation would essentially disappear within 3-5 years.
- The severity of the anticipated and/or potential impacts relating to public health and safety, unique characteristics (including cultural resources), endangered or threatened species or its habitats are expected to be short-term and negligible.

Rationale for Decision:

Discussion of the Need for the Action and the Alternatives

My decision to implement the proposed action subject to the attached standard terms and conditions, ACEPMs, and special conditions does not result in unnecessary or undue degradation of the environment; and does not create substantial cumulative effects.

The Uinta Basin is currently undergoing intense scrutiny by lessees and operators for possible energy-related exploration and development. This current trend in both exploration and development is likely to continue, due in part to favorable market situations.

Based on the information obtained from past and ongoing energy production in the Basin, the producing geologic formations underlying federal lands are not uniformly or predictably distributed throughout the Basin. As such, subsurface mapping of the project area is critical both to better understand the subsurface geological formations and structure of the area, and to predict with greater accuracy the potential likelihood for energy development. At least in the Uinta Basin, historical energy development has been properly likened to "shooting in the dark." Advancements in geophysical technology and interpretation of the resultant data are resulting in more accurate targeting of potential development areas (as well as areas of low or minimal potential development), while at the same time minimizing impacts to the environment. Reducing the guesswork from potential further energy exploration and possible development is both cost effective and cost-efficient. Thus the objectives stated in Section 1.2 of the EA will be met with the implementation of the proposed action.

The EA also addressed but dropped from consideration the following alternatives:

- Use vibroseis trucks as an energy source: Extensively steep and heavily vegetated terrain would have limited accessibility these source vehicles within the project area. Thus this method was considered non-viable.
- Use 2-D seismic techniques: This technique would employ the same lines for both source charges and data receivers; compared to 3-D which uses different lines for source charges and receivers. However, 2-D techniques would not provide the high density data required for this specific project and would not meet the stated objectives as completely as the 3-D. Thus this method was considered unacceptable.

- A similar rationale was used for the discarding from further consideration the use of surface shots as an energy source.
- Limit seismic exploration to existing roads and vehicle trails: This alternative employed a geophysical analysis methodology called in the industry "fold plot analysis." Using an analysis prepared by the proponent BLM determined that the 27 miles of road/vehicle trails and their locations within the project area would not allow for the sufficient number and more uniform distribution of source points to provide the quantity and quality of data necessary to meet the stated objectives.
- BLM also considered the option of not allowing the proposed project to extend onto BLM-administered public lands within the project area. BLM-administered public lands comprise 30.4% of the total project area. Due to the geographic position of these lands, generally in the project area's west- and south-central portions, as much as 50% of the total project area would have no data recorded or substantially degraded data recorded. This "doughnut hole" effect would not provide sufficient geophysical information to make informed decisions concerning the energy potential of the area and would not meet the stated objectives.

All (100%) of the federal lands in the project area have been leased. Presently there is little oil and gas development in the area. No exploratory or development wells were considered by the proposed action or are connected to the proposed action. Seismic surveys are exploratory in their intent and subsurface geologic mapping their goal. Additional leasing and/or drilling proposals are not connected actions for purposes of NEPA compliance. Should the analysis of the data obtained result in additional leasing or submission of Applications for Permit to Drill (APDs), additional environmental documentation to analyze such development would be required.

Therefore I conclude that a geophysical survey of these lands is appropriate and useful and will meet the requirements of Federal law and regulations. The geophysical industry has identified that a wildcat exploratory well would have a 10% chance of success without 3-D seismic data, versus a 60% to 70% chance of success using seismic data. Development wells would have even higher success ratios with seismic data. (personal communication, Scott Holmens, Veritas).

Discussion of Planning Consistency and Conformance

The proposed action is in conformance with the Book Cliffs Resource Area Resource Management Plan (1985) and the Grand Resource Area Resource Management Plan (1985). About 320 acres of the project area extend onto federal lands under the jurisdiction of BLM's Moab Field Office; however, due to geography, these lands are managed under the BCRMP per an agreement between the Moab and Vernal Field Offices. The proposed action also is in conformance with the objectives of 43 CFR 3150, and BLM Mineral Resources Policy (May 29, 1984). The proposed action is also consistent with the current Uintah County Plan for Management of the

Book Cliffs Resource Area (Uintah County Commissioners, 1998). In reaching this decision and in my determination of the Finding of No Significant Impact (FONSI), I considered the above-referenced EA, the U.S. Fish and Wildlife Service Biological Opinion (dated August 4, 2003), and public comments received during the 30-day public review period. The proposed action would not appreciably add to the expected disturbance from previous oil and gas activities, grazing, recreation, and other uses in the area as stated above. I conclude the severity of impacts to the resources identified would not be significant.

Discussion of Consultation

Consultation has occurred between the following federal and state agencies: Utah Department of Natural Resources, Utah Natural Heritage Program, Division of Wildlife Resources (NE Region), Utah Geological Survey, Division of Oil Gas and Mining; Utah State Institutional Trust Lands Administration; Utah State Historic Preservation Office; U.S. Geological Survey; Bureau of Land Management's Moab Field Office; and Brigham Young University.

A Biological Assessment was transmitted to the Service on July 8, 2003, for consultation on the species references in the FONSI. The Service on August 4, 2003, provided their Biological Opinion and Completion of Consultation on the Trace Energy, Moon Ridge 3-D Seismic Project.

On July 3, 2003, letters with the EA enclosed were sent to eight Tribes. The Hopi and Southern Ute Tribes responded. The Hopi stated "...The Hopi Cultural Preservation Office supports the identification and avoidance of prehistoric archaeological sites..." As requested copies of the cultural resource surveys covering the project area were provided for review to the Hopi Tribe and no further comments have been received. BLM will continue Native American consultation as inventory information becomes available. Section 106 requirements of the National Preservation Act have been met with SHPO.

Discussion of Public Participation and Comment

The EA was available for a 30-day public review and comment period July 3, 2003 through August 4, 2003. Fifteen comments were received, two after the official closure. There was one request to extend the comment period. As the request was made concurrent with the individual's comments, an extension was determined unnecessary. The July 16, 2003, edition of the Vernal Express (Vernal newspaper) published a news article that the EA was available for public review and provided a summary of the EA. I appreciate and would like to thank all commenters for taking the time to review the EA and providing comments.

Comments on legal procedural adequacy or technical opinions voiced concerns relating to cultural resources, cryptobiotic soils, wilderness character, future availability and development of oil and gas resources, special status plants and

animals species, and migratory birds. The BLM's response to these comments resulted in editorial changes to the EA to clarify and/or expand remarks to improve readability and understanding.

Synopses of the comments received and the BLM responses are included in Section 6.0 of the EA. The reader is referred to this section for a more complete presentation of the comments and BLM's responses.

Some of the major concerns I found from the public comments include:

- Expected impacts were either over- or under-stated.
- Relationship of the proposed action to major past, present and future energy development projects requires the need to complete an Environmental Impact Statement: After careful and thoughtful consideration of the information provided and assessed in the EA and public comments on the EA, I have concluded that the proposed action, with full implementation of the standard terms and conditions, the applicant's voluntary commitment to certain environmental protection measures and mitigation measures outlined in the EA will not result in any significant impacts on the human environment such than an EIS is warranted. This thinking is in accordance with 40 CFR 15023(b), 1501.4(2)(c), and 40 CFR 1508.20 and 1508.27. It is recognized and acknowledged that the Uinta Basin has extremely high potential for oil and gas development. Past, present and future exploration and development is anticipated to continue in response to favorable market conditions. However, the proposed geophysical exploration is a survey or inventory, providing critically needed data to help determine the practicality and feasibility associated with possible future energy exploration and development in the project area. It is reasonable to expect, based on analysis of the geophysical data obtained from this survey, an energy company may wish to craft site-specific proposals. Such proposals would be subjected to the NEPA process, including public participation. The existing Book Cliffs RMP is currently being updated and revised. The reasonable foreseeable development scenario for this effort covers the entire Basin as well as regional interplay of energy development and natural and sensitive resources. The RMP effort, and its associated EIS, will be a vehicle to address the cumulative effects of energy development. To conduct an EIS at this stage, would be counter to the intent of NEPA, the direction of CEQ and supporting case law as many of the foreseeable projects are speculative and would require BLM authority for approval.
- Use of All Terrain Vehicles (ATVs) would result in a proliferation of vehicle roads and/or trails, resulting in impacts to soils, biologic soils and wildlife. No cross-country travel between seismic lines during acquisition of data would be permitted. Mitigation has been presented that would limit unwanted OHV use in sensitive areas e.g., obliteration of OHV trails associated with the project as they cross existing roads and trails, additional signage, etc. The project area is within the Book Cliffs, an area receiving

increased recreation use and has long been a hunting destination for numerous game species. Access to and in the Book Cliffs remains predominately motorized. Field compliance of the Veritas and Western Geco seismic projects revealed impacts from project vehicles to vegetation and biologic soils to be well within those anticipated. The same compliance documented no OHV use was made by the public. It is my opinion that continuation of the mitigation involving obliteration of OHV trails is prudent and responsible.

- Discuss impacts to cryptobiotic soils: The EA adequately discusses the expected impacts to these resources. A maximum of 2% of the project area (thus 94 acres) would likely be affected. Based on compliance monitoring associated with both the Veritas and Western Geco seismic operations impacts to cryptobiotic soils are expected to be minor in their extent. Incorporation of the stated mitigating measures outlined in the EA, would also enhance recovery time for these soils.
- Cumulative impacts and significant thresholds can be better added at the time projects are proposed.

Monitoring and Compliance:

A compliance specialist or quality control inspector will be on-site to inspect and monitor the field operations to ensure that the operator is in compliance with the terms and conditions of the project. While geophysical operations are underway, a regularly scheduled monitoring report will be prepared by the specialist or inspector. A final monitoring and compliance report will be prepared at the conclusion of the project. The purpose for such monitoring information is to gather additional information on the realized impacts to resources from such a project and to gather additional information as to the relevancy and applicability of the terms and conditions applied to this project.

Appeal:

This decision is effective upon the date of the decision indicated below and the approval is signed by the authorized officer (me). The decision or approval may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR 3150.2. If an appeal is filed, a copy of the notice of appeal must be filed in this office (Vernal Field Office, 170 South 500 East, Vernal, UT 84078) within 30 (thirty) days of receipt of this decision. Public notification of this decision will be considered to have occurred five working days from the date of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition for stay pursuant to 43 CFR 3150.2(b), the petition for stay should accompany your notice of appeal and shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of irreparable harm to the appellant or resources if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

William Hunge
Acting Vernal Field Office Manager

9/3/03
Date